



The relief described hereinbelow is SO ORDERED.

Signed September 15, 2010.

Ronald B. King
United States Chief Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

IN RE:

COLONY LODGING, INC.

Debtor.

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CASE NO. 10-60909-RBK

Chapter 11

**SUPPLEMENT TO ORDER AUTHORIZING
DEBTOR'S USE OF CASH COLLATERAL**

Pacific Mercantile Bancorp ("Lender") filed its Motion to Prohibit Usage of Cash Collateral (the "Motion") on July 28, 2010 to prohibit Colony Lodging, Inc., debtor-in-possession ("Debtor") from using its cash collateral or, in the alternative, require adequate protection and restrict the Debtor's expenditures to a mutually acceptable budget. An initial emergency hearing was held on August 3, 2010, resulting in an Agreed Order Authorizing Debtor's Use of Cash Collateral for the month of August 2010 [Docket No. 21] (the "First Interim Order").¹ A second interim Agreed Order Authorizing Debtor's Use of Cash Collateral

¹ Capitalized terms shall have the meaning ascribed to them in the First Interim Order or Second Interim Order as the case may be.

was entered on September 7, 2010 (the “Second Interim Order”). Further hearings on the Debtor’s use of cash collateral was held on August 31, 2010, and on September 14, 2010. Upon review of the Motion and all relevant pleadings filed with this Court, the relief requested therein and the evidence and representations adduced at the interim hearings, this Court orders as follows:

1. Extension of First Interim Order. The First Interim Order and the Second Interim Order shall remain in full force and effect through September 30, 2010, subject to this Supplemental Order (the “Supplemental Order”).

2. Adequate Protection Payments. Paragraph 5.a of the First Interim Order is hereby amended to add the following language:

a. Loan Payments and Fees. Debtor shall pay Lender \$39,751.82 on account of the September payment (the “September 2010 Payment”) due under the Business Loan Agreement dated as January 28, 2009 between PMB and Debtor and the related promissory note (as amended, restated, or otherwise modified, and together with any related documents, the “Loan Documents”) in two installments. The first installment of \$20,000.00 shall be paid on or before September 17, 2010. The second installment of \$19,751.82 shall be paid on or before September 29, 2010.

3. Waiver of the fourteen (14) Day Stay Under Bankruptcy Rule 6004(h). The fourteen (14) day stay provisions of Bankruptcy Rule 6004(h) are waived and shall not apply to this Supplemental Order.

4. Retention of Jurisdiction. This Court has and shall retain jurisdiction to enforce this Supplemental Order, the Second Interim Order and the First Interim Order according to their respective terms.

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Order prepared and submitted by:

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